

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	Chapter 7
)	
Statewide Holding Corporation,)	No. 04 B 03204
)	
)	Hon. A. Benjamin Goldgar
)	United States Bankruptcy Judge
Debtor.)	
)	Hearing Date: August 27, 2010
)	Hearing Time: 1:30 p.m.

**FIRST AND FINAL APPLICATION OF GOULD & RATNER LLP
FOR ALLOWANCE OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR THE
PERIOD NOVEMBER 1, 2007 THROUGH AUGUST 24, 2009**

Gould & Ratner LLP (the "Applicant" or "G&R") requests entry of an order approving its first and final application for allowance of compensation and reimbursement of expenses ("First and Final Application") for its services in its representation of Ilene F. Goldstein as Chapter 7 Trustee ("Trustee") for Statewide Holding Corporation ("Debtor"), for the period from November 1, 2007 through August 24, 2009 (the "Application Period"). In support of its Application, G&R respectfully states as follows:

1. The Applicant seeks court approval of its First and Final Application for services rendered to the Trustee during the Application Period in the amount of \$43,294.00 and reimbursement of expenses in the amount of \$2,748.12, necessarily incurred and advanced by the Applicant in the course of providing professional services to the Trustee during the Application Period.
2. In the exercise of Applicant's billing judgment, the attorneys for the Trustee have voluntarily reduced the fee portion of their First and Final Application by \$758.50 and the expense portion by \$2,500.00.

3. The Applicant has not received any interim compensation during the Application Period.

4. All professional services for which compensation is requested were performed by the Applicant for the Trustee.

Background and Engagement of the Applicant

5. On January 28, 2004 ("Petition Date"), a voluntary Chapter 7 petition was filed by Statewide Holding Corporation ("Debtor"), pursuant to 11 U.S.C. § 303.

6. The United States Trustee appointed Ilene F. Goldstein as Trustee of the estate.

7. On January 11, 2008, the Court approved the appointment of G&R as counsel to the Trustee. (Exhibit 1)

8. Since its appointment, G&R has rendered actual and necessary legal services to the Trustee as set forth herein.

9. The legal services provided by G&R have been subdivided into the following categories: General Administration, Objections to Employee Claims, Objections to Swank Claims, and Objections to Bank of Waukegan Claims.

Allowance of Compensation

10. The Applicant has devoted 182.7 hours of professional time in providing legal services to the Trustee during the Application Period.

11. A true and correct copy of an itemization of the Applicant's time record entries for the Application Period, which details the time entries and the member of the firm providing services, is attached as Exhibit 2 with subsections (A) through (D) corresponding to the appropriate category.

12. The fees sought by the Applicant in each of the categories are summarized as follows:

Exhibit	Category Description	Amount of Fees Requested
A.	General Administration	\$10,164.50
B.	Objections to Employee Claims	\$22,498.00
C.	Objections to Swank Claims	\$4,204.00
D.	Objections to Bank of Waukegan Claims	\$7,527.50
TOTAL		\$44,394.00

13. A summary of the time spent by each individual and a computation of the value of professional time is listed below:

Name	Position	Hours	Rate/Hour 2007-08/2009	Fees Earned
ATTORNEYS				
Christopher J. Horvay	Partner	46.5/6.0	\$440.00/\$460.00	\$23,220.00
David M. Arnburg	Partner	.30	\$420.00	\$126.00
Joseph P. Bonavita	Associate	40.5/.20	\$205.00/\$220.00	\$8,346.50
NON-ATTORNEYS				0.00
Sharyl L. Tamssot	Paralegal	5.6	\$190.00	\$1,064.00
Heather M. Martinez	Paralegal	1.3/73.6	\$125.00/\$150.00	\$11,202.50
Jeff Merar	Law Clerk	3.9	\$50.00	\$195.00
Nadia Gaya	Law Clerk	4.8	\$50.00	\$240.00
TOTAL:		182.7		\$44,394.00

14. The Applicant requests compensation only for services performed in connection with this case, in connection with the Trustee's performance of her duties prescribed by the Bankruptcy Code or rendered pursuant to court order.

15. The Applicant will not share any compensation received or to be received pursuant to this Application, except as allowed by Section 504(b) of the Bankruptcy Code. No agreement or understanding exists between Applicant or any other persons or firms for the sharing of compensation received, or to be received, in connection with this Chapter 7 case. In compliance with Section 330 of the Bankruptcy Code and Rule 2016(a) of the Rules of Bankruptcy Procedure, the verified affidavit of Christopher J. Horvay, a partner with Applicant, is attached hereto and incorporated herein as Exhibit 3.

16. The services rendered to the Trustee were necessary to the administration of these bankruptcy proceedings. Listed below is a breakdown of the time expended by category and a discussion and correlation of the work provided by the Applicant during the Application Period. It should be noted that the allocation of time shown in the following description of categories, although as accurate as possible, is limited by the fact that many services may overlap one or more discrete areas. Every effort has been made to keep the categories separate and the descriptions accurate. In so doing, we have insured that even though there may be occasional overlap between categories, no time has been duplicated and each entry represents actual time devoted to the representation of the Trustee.

Summary of Applicant's Services

17. The tasks performed and time expended by G&R in each of the listed categories and expenses incurred by G&R are set forth in the attached exhibits and are summarized as follows:

- A. **General Administration (.001).** The time spent in this category includes all time expended in connection with the administrative duties of the Trustee as well as the Trustee's general role in the pending bankruptcy case. Applicant spent time reporting to the Trustee, reviewing pleadings, general discussions regarding the Chapter 7 process and the possible outcome of the case. Applicant also spent time preparing the Application to Employ the applicant. G&R expended 45.7 hours of time which has a value of \$10,164.50. (See Exhibit 2A)
- B. **Objections to Employee Claims (.002).** Applicant spent time in this category researching the validity of certain claims filed by employees of Debtor. Applicant also spent time preparing objections to employee claims. These services were

essential to the Trustee's efforts to expeditiously resolve these claims, in order to permit her to complete the administration of this case. G&R expended 94.6 hours of time which has a value of \$22,498.00. (See Exhibit 2B) As a direct result of Applicant's efforts, the Court entered orders reducing or eliminating total employee claims of \$374,402.04, and an additional claim identified as "Retirement Benefits", with no stated dollar amount of alleged priority claim filed by such former employee.

C. **Objections to Swank Claims (.003).** Applicant spent time in this category researching the validity of the Swank claims and the amended claims filed by the Swanks and other claimants asserting claims based on debentures issued by the Debtor, which contained a contractual subordination provision . Applicant also spent time attending hearings on the objections. G&R expended 15.8 hours of time which has a value of \$4,204.00. (See Exhibit 2C.) As a result of Applicant's efforts, the Court entered an order disallowing the alleged priority claims of the Swanks (former insiders of the Debtor) in the amounts of \$46,666.65, \$9,441.44, \$15,555.56 and \$15,555.56.

D. **Objection to Bank of Waukegan Claims (.004).** Applicant devoted considerable time researching the validity of the three claims filed by the Bank of Waukegan. Applicant's time spent in this category concerned research, preparation of Objections and Amended Objections, telephone conferences with counsel for the Bank, and hearings on the Objections. Applicant expended 26.6 hours of time which has a value of \$7,527.50. (See Exhibit 2D) As a result of Applicant's efforts, the Court entered an order disallowing the largest of the three claims filed by the Bank in the amount of \$1,041,568.12.

18. Applicant seeks reimbursement of expenses in the amount of \$2,748.12.

Applicant has voluntarily reduced and written off \$2,500.00 of such expenses. A detailed itemization of all expenses recorded by Applicant during the Application Period is set forth on Exhibit 4. All such expenses were actually incurred in connection with this Chapter 7 case and were necessary for the performance of Applicant's services as described herein.

19. Based on the foregoing, for the period from November 1, 2007, through August 24, 2009, Applicant seeks compensation in the amount of \$44,394.00 and reimbursement of expenses in the amount of \$2,748.12.

A. WHEREFORE, Gould & Ratner LLP respectfully requests that this Court enter an Order:

B. Awarding the Applicant fees in the amount of \$44,394.00 for compensation and authorizing reimbursement of expenses in the amount of \$2,748.12 pursuant to Sections 330 and 331 of the Bankruptcy Code (collectively, the "First and Final Award");

C. Directing the Trustee to pay the Applicant from available funds upon approval of the Trustee's Final Report; and

D. Granting such other and further relief this Court deems just.

Dated: July 23, 2010

ILENE F. GOLDSTEIN, not individually but as
Chapter 7 Trustee for the estate of Statewide
Holding Corporation

By: /s/ Christopher J. Horvay
One of her attorneys

Christopher J. Horvay (I.D. No. 1263315)

Joseph P. Bonavita (I.D. No. 6091409)

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